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Stock Market Politics

CPYRGHT

HAVING CHARGED that "politics" are wreck-
 ing the Senate investigation into the stock
 market, Sen. Homer Capehart of Indiana seems
 intent on proving his point by personal example.

When Secretary of the Treasury George
 Humphrey said last week that the inquiry might
 be weakening public confidence in the economy,
 Mr. Capehart promptly urged the Committee to
 call it quits. Then he said the investigation was
 a deliberate attempt "to harass the Eisenhower
 Administration and harass business." This de-
 spite the fact that Committee Chairman J. Wil-
 liam Fulbright has conducted the probe with
 courtesy and fairness, and that both he and his
 brilliant roster of witnesses (with rare excep-
 tions) have exercised notable restraint in com-
 menting on the state of the market.

If anything is likely to undermine confidence,
 as Senator Capehart should know, it is a pre-
 sumption that the Senate dare not take public
 testimony on economic danger zones lest the
 public learn something which will frighten it.

Senator Capehart's latest blooper has been
 an attempt to discredit the testimony of Dr. J.
 K. Galbraith, who said the market was respond-
 ing to a "boom psychology" that could become
 dangerous. To prove the economist was not a
 fit witness, Mr. Capehart told a TV audience
 Dr. Galbraith wrote a pamphlet in 1949 say-
 ing communism's accomplishments "have been con-
 siderable and they may help to explain why
 some millions of alert and intelligent Europeans
 have embraced this faith." Contending Dr. Gal-
 braith "praises communism," the senator said
 he should be returned to the witness stand to
 explain his views.

If the Harvard economist is recalled, he
 should ask Senator Capehart if he read the
 pamphlet referred to — "Beyond the Marshall
 Plan." And if the senator invokes the Fifth
 Amendment instead of answering, that will be
 understandable.

Dr. Galbraith, a reading of the document
 shows, did say communism was still making an
 appeal to intelligent Europeans. He did say
 communism offered an alternative of sorts to
 the cramping economic effects of rampant
 European nationalism. But he said these things
 in connection with his main theme, which was
 that the Communist threat should be not under-
 estimated, would continue despite the Marshall
 Plan, and called for long-range planning by the
 democratic powers.

The economist repeatedly deplored the tend-
 ency of some European peoples to seek solu-
 tions in political extremes. American foreign
 policy, he wrote, should be directed toward the
 establishment of conditions which will enable
 moderate European governments to gain popu-
 lar support.

If further evidence is needed that Dr. Gal-
 braith did not "praise communism," his pam-
 phlet was endorsed by the International Com-
 mittee of the National Planning Association.
 Among its members were Milton S. Eisenhower,
 brother to the President, and Allen W. Dulles,
 current director of the Central Intelligence
 Agency.

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